SPUR
San Francisco | San José | Oakland

January 26, 2024

Re: Initial SPUR input regarding SB 926

Senator Wahab,

SPUR believes that abundant, high quality transit is foundational to an equitable, sustainable and economically productive region. Consequently our organization has a long history of advocating for both transit funding and reform - including changes to the governance of the Bay Area's transit system. Over the course of the last decade SPUR has conducted in-depth, original research and authored numerous reports and policy papers addressing ways the region can improve the performance of transit via better coordination, long range planning, project delivery reforms and governance changes. In addition to our longstanding transit policy work, we have also been directly involved in recent regional and state efforts to sustain and transform transit. Alicia John-Baptiste, SPUR's CEO, served as Vice Chair of MTC's Regional Network Management Advisory Group and helped develop the current regional network management structure that the Commission and transit operators enacted in 2023. Laura Tolkoff, SPUR's Transportation Policy Director, was recently appointed to serve on California's Statewide Transit Transformation Taskforce. Last year SPUR also acted as a founding member of the "Survive and Thrive" coalition that brought dozens of organizations together in the region and across the state to help secure $5.1 billion in transit investment and operational support as part of the 2023-2024 state budget.

Our research has documented the various ways that having a large number of individual transit agencies operating in the 9-county Bay Area can confuse and deter transit customers and create administrative complexity for policymakers and other government agencies. For these reasons, SPUR has been a strong advocate of several forms of integration, including integrating fares, schedules, maps, and wayfinding. SPUR has also been a strong supporter of advancing a regional network manager in the Bay Area as a means to ensure a seamless experience for transit riders and a more centralized, deliberate and efficient approach to transit planning and administration.

We believe that the region's operators are making significant progress toward a more coordinated system and we would like MTC and transit operators to continue focusing their attention and efforts on expeditiously implementing the program of reforms and improvements that have already been identified and committed to. Commencing with a plan to merge all operators at this time would take organizational resources away from this important work, which will have a more immediate benefit for customers and support ridership growth than consolidation.

While SPUR strongly supports implementing and strengthening regional network management, we take a significantly more cautious approach to the idea of "consolidating" or merging transit agencies, especially merging all transit agencies, at this time. For this reason SPUR has not taken a formal position on SB 926 and we are generally not supportive of the current language as introduced. If a bill to consider consolidation of transit agencies does proceed, we would offer the following suggestions and thoughts:

- Any bill related to consolidation should be a study bill (not a plan) and have a clear, focused problem definition that can be addressed through an achievable and rigorous scope of work. The study and problem statement should not presume an outcome or conclusion.

- Consolidation of agencies is an extremely complex topic that involves significant practical considerations. Past studies identifying the benefits of agency consolidation have been conducted at a high level and have not advanced partly because they failed to credibly engage with or address the significant legal, regulatory and financial issues inherent in understanding what the true costs and benefits of consolidation would be. Said another way, it is not possible to accurately assess whether consolidation is a good idea without understanding the specific practical realities of *how* it could actually be achieved. There is minimal benefit in using limited public resources to conduct further high-level assessments of consolidation that are ultimately not actionable because they do not engage with these critical details.

- Conversely we do think there could be benefit to a CalSTA-led study that explores some of the practical realities involved in potential agency consolidation- thereby laying the groundwork to assess if and where future work on the subject may be warranted. Key issues that could benefit from exploration include:

    - Analysis of the different statutory authorities underlying individual transit agencies and clarification of how federal and state laws governing and regulating transit would interact and influence potential changes to agency structure.

    - Assessment of existing labor agreements and service delivery structures at Bay Area transit agencies and analysis of how federal labor law would inform any possible consolidation of agency workforces.

    - Analysis of individual agency funding sources and assessment of the procedural and legal issues involved in the potential consolidation of organizations funded via various local, voter approved revenue measures.

    - Examination of pension liability issues and consideration of the financial implications associated with consolidating agencies with distinct pension structures

SPUR appreciates your interest in improving Bay Area transit and your consideration of our perspective. Please let us know if you have any questions about our work or views and this important subject.

Sincerely,

Sebastian Petty
Transportation Policy Manager, SPUR